



Date: January 19, 2016

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Mark D. Ahrendsen, Director of Transportation

Subject: Execution of Contract Amendment with Republic Parking Systems for Parking Management Services

Executive Summary

The City is required to operate, manage and provide maintenance for its off-street parking program as well as provide parking enforcement, citation processing and adjudication services for its on-street parking program. The Department of Transportation, specifically, is currently tasked with the day-to-day oversight of off-street and on-street parking.

Effective September 1, 2015, the City entered into a three-year contract with Republic Parking Systems (RPS) to operate, manage and provide maintenance for its off-street parking program, consisting of the Chapel Hill, Corcoran, Church and Durham Centre parking garages, and all City-owned surface lots. Additionally, RPS is contracted to provide parking enforcement, citation processing and adjudication for the City's on-street parking program.

Recommendation

To authorize the City Manager to execute an amendment to the parking systems management services contract with Republic Parking System, Inc. modifying the scope of services resulting in a reduction of the original contract amount by of \$88,117.43 for a revised, total contract amount not to exceed \$5,423,955.83.

Background

On November 3, 2014, the City of Durham issued a Request for Proposals (RFP) to provide professional parking system management services for the operation of the City's Off-Street and On-Street Parking Programs. Four firms, Lanier Parking Solutions, SP+ Municipal Services, LAZ Parking, and Republic Parking Systems, Inc., submitted proposals.

On February 4, 2015, the Parking RFP Review Team, consisting of representatives from Downtown Durham, Inc., American Tobacco Campus, Durham Convention and Visitors Bureau, EOE, OEWD, Finance, Technology Solutions and General Services, reviewed each proposal and interviewed the four firms. Based on the outcome of the finalist presentations, an evaluation team of City staff conducted site visits on February 19 and 20, 2015. Further, City staff interviewed the proposed subcontractors on February 25, 2015 and the proposed project managers on February 26, 2015. Upon the completion of the review process and interviews, the RFP Selection Committee recommended that the City enter into an Agreement with Republic Parking Systems.

Effective September 1, 2015, the City entered into a three-year contract with Republic Parking System, Inc. to operate, manage and provide maintenance for its off-street parking program, consisting of the Chapel Hill Street, Church Street, Corcoran Street and Durham Centre parking garages, and all City-owned surface lots. Additionally, Republic Parking was contracted to provide parking enforcement, citation processing and adjudication for the City's

on-street parking program, including the 6 City Council-designated Controlled Parking Residential Areas.

In November 2014, 3M dissolved its Parking Division, which manufactured the City's Parking Access and Revenue Control (PARCS) equipment located in the 5 parking garages. As a result, 3M no longer manufactures or provides replacement parts required to repair malfunctioning or broken equipment to service vendors. To this end, numerous municipalities across the country are being required to replace its 3M PARCS equipment. At present, the Department is in the process of developing a RFQ for Parking Access Revenue Control Equipment for its off-street parking garages.

In an effort to address this issue, Republic Parking, in its contract price proposal, included costs of \$240,000 for leasing parking and revenue access control equipment to replace the defunct 3M Parking Access and Revenue Control equipment over the three-year contract term. Upon further analysis, City staff determined that the proposed equipment did not meet the City's requirements and that the financing approach was not in the City's best interest.

Since the contract inception, Republic Parking has assumed oversight of the Controlled Parking Residential Area (CPRA) program, which includes 6 designated areas, for a three-year contract total of \$151,882.57. On June 15, 2015, the City Council established a new CPRA area - Area F. As a result, the Manager is required to provide parking enforcement in CPRA Area F during the hours of 6:00pm until 2:00am, seven days per week. Republic provides on-street parking enforcement and management of the annual CPRA parking permit process for residents and their visitors.

In summary, the Department is recommending that the original contract amount of \$5,512,073.26 be amended to \$5,423,955.83. The amendment includes the removal of \$240,000 for expenditures associated with the Parking Access and Revenue Control equipment and the addition of the CPRA to the management contract. The proposed amendment reduces the original contract by \$88,117.43 over the 3-year term.

Issues/Analysis

Recent changes in the parking industry have brought nontraditional entrants to the industry that have introduced technologies that enhance the customer's parking experience and the operating agency's ability to deliver innovative solutions to its customers. These technologies are revolutionizing the parking industry in ways that improve the performance and convenience of an integrated parking system, increase the flow of information to users, and inform management of operational elements via real-time data analytics.

To this end, the Department is in the process of developing a RFQ for Parking Access and Revenue Control equipment that meets the City's expectations for an integrated parking management platform while enhancing a more favorable experience for parking customers. Further, the selected PARCS is envisioned to provide optimal and proactive management of off-street parking assets, better system uptime, improved customer service, higher revenue, efficient enforcement, better management of spaces based on desired outcomes (turnover, availability, or occupancy), and smarter business decisions. Also, the Department is planning to upgrade the existing equipment to provide a positive user experience. Emphasis is being placed on multiple payment options, as well as the ability to maintain space counts for use in parking management decisions and the eventual implementation of parking wayfinding and guidance systems.

As a result of the continual evolution of parking technologies and equipment and to replace the current PARCS equipment changes forthcoming, the Department of Transportation is recommending a contract amendment in the amount of \$240,000 for the three-year contract term. To this end, Republic Parking shall not be required to lease parking and revenue access control equipment to replace the defunct 3M Parking Access and Revenue Control equipment during the three-year contract term.

Alternatives

- 1) The City Council may choose not to amend this contract. This is not warranted since Republic Parking System does not include the costs of procurement of the City's desired parking revenue and access control equipment and technologies in its proposal.
- 2) The City Council may choose not to modify this contract and direct staff to return the off-street and on-street parking management duties to the Department of Transportation. This option will require the hiring of staff to carry out the work, and operating funds to support the function.
- 3) Execute the contract amendment with Republic Parking Systems. Recommended.

Financial Impact

The total cost of the proposed amended contract for parking management services with Republic Parking System for the three year contract period is \$5,258,454.83, plus additional fees for special events parking estimated to be \$165,501 over the term of the contract.

The total amount parking system management services required in FY 2015-2016 budget is \$1,784,530.42. Lanier Parking provided parking management services through August 31, 2015 at a cost of \$281,244.45. The amount of funds required within FY 2015-2016 budget (September 1, 2015 – June 30, 2016) of the amended contract with Republic Parking is \$1,503,285.97.

The total funds of \$1,784,530.42 required for July 1, 2015 – June 30, 2016 is included in the FY 2016 budget approved by City Council on June 15, 2015.

The balance of the new contract of \$3,920,669.86 will be included in the future FY 2017 (\$1,784,693.48), FY 2018 (\$1,830,194.86), and FY 2019 (\$305,781.52) budgets for City Council approval in June 2016, June 2017, and June 2018 respectively.

SDBE Summary

This is a contract amendment. No compliance review was conducted in accordance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments

Amendment to Contract for Parking Systems Management Services

Attachment A: Staff Response to City Council Inquiry Regarding Item #23 – Citizen Matter from the August 6, 2015 Work Session